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Sungold Heights - Board President

Sungold Heights Celebrates Groundbreaking of \$2.6 Million Infrastructure Rehab Project

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Worthington, MN | On April 16, the board and membership of Sungold Heights, Inc. celebrated breaking ground on a \$2,570,000 infrastructure rehabilitation project. The project will replace the community's existing water and sewer system on the west side of the property and repave all the roads throughout the property.

The total cost of the project is \$2,570,000 and is funded largely through grants and deferred loans totaling \$2.3 million from Minnesota Housing. Sungold Heights is contributing \$270,000 to the project through a combination of a loan from Southwest Initiative Foundation and the corporation's reserves. The engineer consultant and construction manager for the project is WSB in Rochester, MN. The primary contractor is Hulstein Excavating in Edgerton, MN. The project is expected to be complete by October.



Sungold Heights board members and NCF staff pose for a photo on April 16, 2021. Pictured left to right: Julie Martínez (NCF), Mario Cornéjo (President), Jose Fuentes (Treasurer), Lila Gonzalez (onsite manager), Salvador Gonzalez (Operations Manager), Rodrigo Chavez (Director At-Large).

Sungold Heights is home to over 100 families. The community provides a valuable source of affordable housing to the area with over seventy-five percent (75%) of the Sungold population making 50% Area Median Income (AMI) or below. Sungold is a vibrant and diverse community with about 80% of residents identifying as Latino and 20% as Asian (mostly Karen-speaking households).

“We waited a long time, and it feels great to finally be able to make improvements. Once the infrastructure project is complete, we are looking forward to being able to bring new homes in, something people have asked for since this all started three years ago. We all wish for our homes to look nice and this is the start for that wish to come true,” Sungold Heights Board President Mario Cornéjo said.

Project Background

In June 2019, Sungold Heights residents purchased their 106-site manufactured home community with the help of Northcountry Cooperative Foundation (NCF). During the due diligence phase of the purchase, Sungold’s engineer consultant discovered the need for significant critical rehabilitation to the property’s water, sewer, and road systems. The roads in the community had experienced frost heave which caused the expansion of the pavement that was so pronounced that the trash removal services had stopped entering the community. For months, residents had to walk their trash cans across the community for pickup on neighboring city streets.

Minnesota Housing committed an upfront \$1 million toward the rehab project to make the resident purchase possible. NCF assisted Sungold to secure the remaining project funds in December 2020 through an application to the newly created Manufactured Home Community Redevelopment program.

“Communities like Sungold Heights provide a valuable source of affordable homeownership - one that we can’t afford to lose anywhere, but especially in rural markets where the cost to develop new single-family homes is especially challenging. We will be able to preserve this community as an affordable housing asset for the Worthington community for generations to come with an investment of about \$22,000 per unit. That’s less than half the average per-unit invested in other affordable housing preservation projects across the state,” NCF Executive Director Victoria Clark said.

Background on Manufactured Home Community Infrastructure

For most manufactured home communities, all the infrastructure is privately owned and maintained, including the water and sewer system, stormwater, roads, and electric. The majority of these communities were developed fifty or more years ago and the infrastructure systems have reached or exceeded their useful life. The age of the communities combined with the high cost to rehabilitate or replace the infrastructure means that homeowners who pay land rent to keep their home in the community often live with chronic utility interruptions and substandard utility access. In some instances, the deferred infrastructure maintenance results in total community closure, [displacing residents and uprooting communities](#).

Sungold Heights, Inc. is a 317A nonprofit corporation that is governed cooperatively and one of Minnesota's growing number of resident-owned manufactured home communities. Sungold Heights is located in the southwest corner of Minnesota in the city of Worthington. Sungold is home to over 200 residents.

Northcountry Cooperative Foundation (NCF), a [ROC USA](#) Certified Technical Assistance Provider, is a Minneapolis-based nonprofit organization formed in 1999. NCF's primary line of business is converting manufactured home communities to resident-owned communities. northcountryfoundation.org